

INFORMATION BULLETIN #27

SALES TAX

DECEMBER, 2002

(Replaces Information Bulletin #27, dated June 1995)

DISCLAIMER: Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information, which is not consistent with the law, regulations, or court decisions is not binding on either the Department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

SUBJECT: Barbers and Beauticians

REFERENCES: IC 6-2.5-4-1, 45 IAC 2.2-1-1, 45 IAC 2.2-4-2

Services Performed by Barbers and Beauticians

Services performed by barbers and beauticians are not subject to Indiana gross retail tax. Such services include permanents, shaves, and haircuts.

Supplies Used by Barbers and Beauticians

A barber or beautician is liable for Indiana gross retail tax on the purchase of all supplies and equipment used in the course of performing hair services. Such supplies include shampoos, hair rinses, and hair dryers. Indiana sales tax should normally be paid on these items at the time of purchase.

Supplies Purchased for Sale

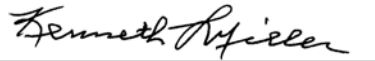
A barber or beautician who purchases products for the purpose of resale must register with the Department as a retail merchant and collect and remit tax on all

product sales. Sales tax is not due on the original purchase of these products if purchased for the purpose of resale.

If a barber or beautician purchases hair products for resale but later uses these products for personal or professional use, the barber or beautician must remit use tax as the consumer of these products. Indiana use tax may be paid and reported on Form ST-103.

Office Equipment

The purchase of furnishings, office equipment, and utilities used by a barber or beautician in the operation of a barber shop or salon is subject to Indiana sales tax.

A handwritten signature in cursive script, reading "Kenneth L. Miller", positioned above a horizontal line.

Kenneth L. Miller
Commissioner